

**FORTY-THIRD ANNUAL REPORT**

**OF THE BOARD OF DIRECTORS**

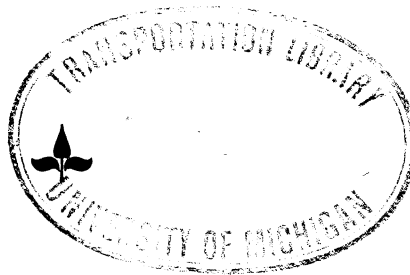
**OF**

**THE LAKE SHORE AND MICHIGAN SOUTHERN  
RAILWAY COMPANY**

**TO THE STOCKHOLDERS**

**FOR THE YEAR ENDED**

**DECEMBER 31 1912**



**CLEVELAND  
OHIO**

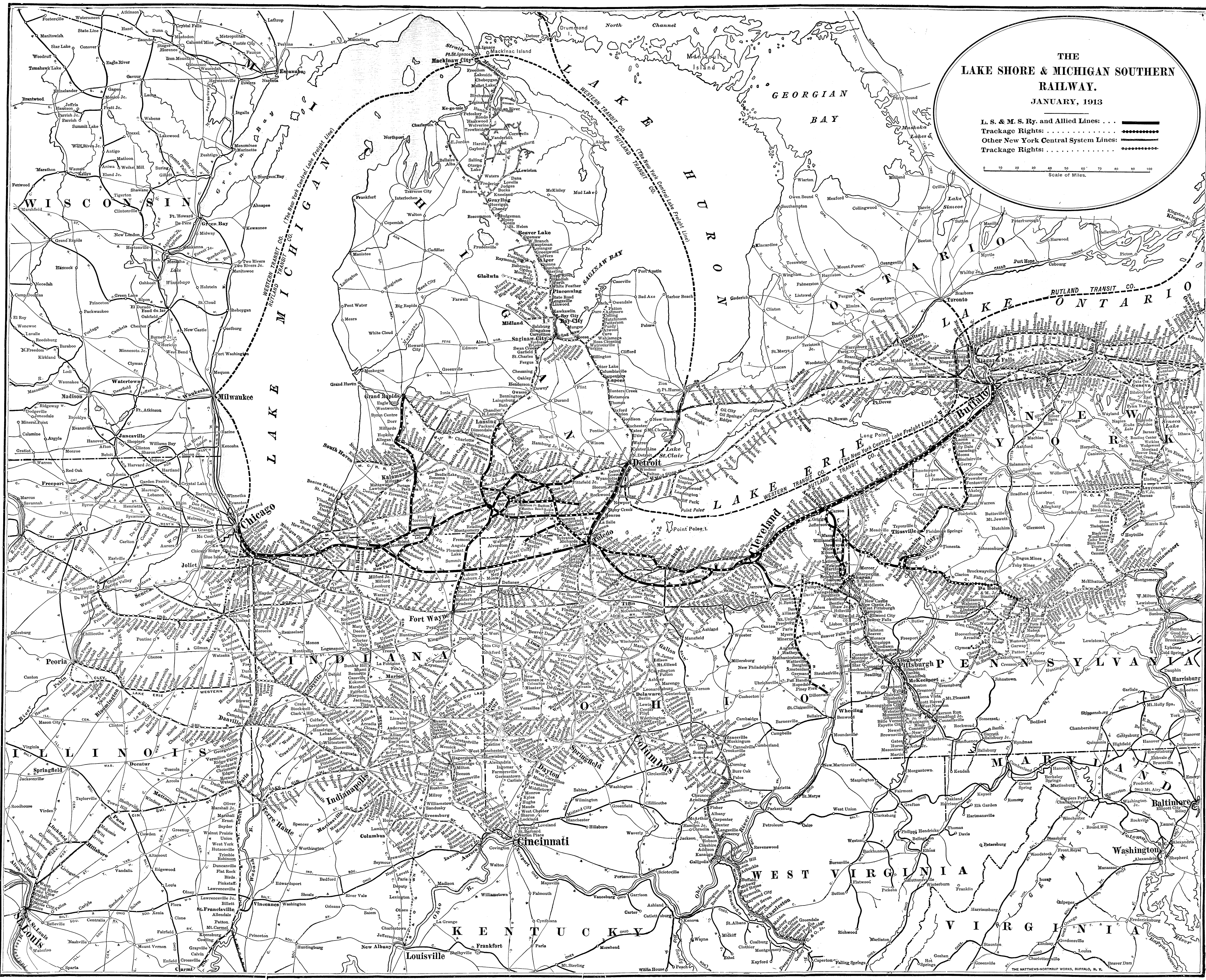


THE  
LAKE SHORE & MICHIGAN SOUTHERN  
RAILWAY.

JANUARY, 1913

L. S. & M. S. Ry. and Allied Lines: . . .  
Trackage Rights: . . .  
Other New York Central System Lines: . . .  
Trackage Rights: . . .

Scale of Miles.



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# ORGANIZATION OF THE LAKE SHORE AND MICHIGAN SOUTHERN RAILWAY COMPANY

DECEMBER 31, 1912

## DIRECTORS

FREDERICK W. VANDERBILT	} Term Expires May 1913	J. PIERPONT MORGAN	} Term Expires May 1914
WILLIAM K. VANDERBILT, JR		JAMES STILLMAN	
CHAUNCEY M. DEPEW		GEORGE F. BAKER	
WILLIAM H. NEWMAN		W. SEWARD WEBB	
WILLIAM C. BROWN			
WILLIAM K. VANDERBILT	} Term Expires May 1915		
LEWIS CASS LEDYARD			
WILLIAM ROCKEFELLER			
MARVIN HUGHITT			

## EXECUTIVE COMMITTEE

CHAUNCEY M. DEPEW, *Chairman of the Board of Directors\**  
WILLIAM C. BROWN, *President\**

WILLIAM K. VANDERBILT	LEWIS CASS LEDYARD
FREDERICK W. VANDERBILT	GEORGE F. BAKER
WILLIAM ROCKEFELLER	J. PIERPONT MORGAN

WILLIAM H. NEWMAN  
*\*Members ex-officio*

## OFFICERS

President	WILLIAM C. BROWN	New York
Vice President	WILLIAM K. VANDERBILT, JR	New York
Vice President	JOHN CARSTENSEN	New York
Vice President	ALFRED H. SMITH	New York
Vice President	ALBERT H. HARRIS	New York
Vice President	CHARLES F. DALY	New York
Assistant Vice President	JOHN J. BERNET	Chicago
Assistant Vice President	EDWARD T. GLENNON	Chicago
Secretary	DWIGHT W. PARDEE	New York
Treasurer	MILTON S. BARGER	New York
Local Treasurer	RUDOLPH P. AHRENS	Cleveland
General Auditor	RICHARD M. HUDDLESTON	Chicago
Auditor	GEORGE M. GLAZIER	Cleveland
General Counsel	FRANK J. JEROME	Cleveland
General Counsel	ROBERT J. CARY	Chicago
General Counsel	BERTRAND WALKER	Chicago
General Solicitor	CLYDE BROWN	New York
General Claims Attorney	FRANK V. WHITING	New York
General Manager	DEWITT C. MOON	Cleveland
General Superintendent	ALBERT S. INGALLS	Cleveland
General Sup't Freight Transportation	HERBERT J. MERRICK	Chicago
General Superintendent Telegraph	EDWIN C. KEENAN	Chicago
General Land and Tax Agent	HERBERT D. HOWE	Chicago
Chief Engineer	GEORGE C. CLEVELAND	Cleveland
Superintendent Motive Power	DONALD R. MACBAIN	Cleveland
General Purchasing Agent	SYDNEY B. WIGHT	New York
Purchasing Agent	GEORGE R. INGERSOLL	Cleveland
Freight Traffic Manager	GEORGE H. INGALLS	Chicago
General Freight Agent	WILLIAM A. NEWMAN	Cleveland
Passenger Traffic Manager	JOHN W. DALY	Chicago
General Passenger Agent	LESTER A. ROBISON	Cleveland

The annual meeting of stockholders for the election of directors is held in the city of Cleveland, Ohio, on the first Wednesday in May.

# REPORT

*To the Stockholders of*

THE LAKE SHORE AND MICHIGAN SOUTHERN RAILWAY COMPANY :

The Board of Directors herewith submits its report for the year ended December 31, 1912, with statements showing results for the year and the financial condition of the company.

The mileage embraced in the operation of the road is as follows :

	Miles
Main line and branches	871'00
Proprietary lines	289'32
Leased lines	521'90
Trackage rights	190'08
Total road operated	<u>1,872'30</u>

An increase of 97.23 miles in road operated is due to the acquisition through lease of the Lake Erie Alliance and Wheeling Railroad and to the opening for operation of 9.56 additional miles of the Cleveland Short Line Railway extending from Marcy, Ohio to Collinwood, Ohio. There is a reduction of .36 miles due to re-measurement and adjustment of mileage of the Lake Erie and Pittsburg Railway. The net total increase in miles operated over 1911 is 96.87 miles. A statement showing in detail the miles of road and track operated will be found upon another page.

There was no change in capital stock during the year, the amount authorized and outstanding December 31, 1912, being \$50,000,000.00.

The mortgage, bonded and secured debt outstanding on December 31, 1911, was

\$168,172,482 57

It has been increased during the year by pro-rata liability for certificates under the New York Central Lines Equipment Trust agreement of 1912

2,974,961 25

\$171,147,443 82

It has been decreased during the year as follows:

January 1, pro-rata of second installment 1910 equipment trust

\$918,071 04

November 1, pro-rata of fifth installment 1907 equipment trust

447,226 18

By reduction of liability for certificates outstanding under 1910 trust, account transfer of 25 locomotives to The Michigan Central Railroad Company

375,979 50

1,741,276 72

Total mortgage, bonded and secured debt outstanding December 31, 1912

\$169,406,167 10

## Annual Report

## SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME

OPERATING INCOME	1912	1911	Increase	Decrease
RAIL OPERATIONS	1,872'30 miles operated	1,775'43 miles operated	96'87 miles	
Revenues	\$54,283,616 52	\$48,360,997 13	\$5,922,619 39	
Expenses	35,534,644 36	32,443,875 09†	3,090,769 27	
NET REVENUE—RAIL OPERATIONS	\$18,748,972 16	\$15,917,122 04	\$2,831,850 12	
Percentage of expenses to revenues	(65'46%)	(67'09%)		(1'63%)
AUXILIARY OPERATIONS				
Revenues	\$1,206,895 79	\$577,657 87	\$629,237 92	
Expenses	1,091,491 27	608,734 97	482,756 30	
NET REVENUE—AUXILIARY OPERATIONS	\$115,404 52	*\$31,077 10	\$146,481 62	
NET OPERATING REVENUE	\$18,864,376 68	\$15,886,044 94	\$2,978,331 74	
RAILWAY TAX ACCRUALS	1,771,097 88	1,673,939 54	97,158 34	
OPERATING INCOME	\$17,093,278 80	\$14,212,105 40	\$2,881,173 40	
OTHER INCOME				
From lease of road	\$5,000 00	\$5,000 00		
Hire of equipment—credit balance	551,998 49	157,555 78	\$394,442 71	
Joint facility rents	357,851 47	336,426 83	21,424 64	
Miscellaneous rents	98,394 37	132,904 57		\$34,510 20
Net profit from miscellaneous physical property	1,211 26		1,211 26	
Separately operated properties—profit	1,272,125 22	557,040 96	715,084 26	
Dividend income	6,904,180 66	7,878,679 77		974,499 11
Income from funded securities	488,311 25	288,623 75	199,687 50	
Income from unfunded securities and accounts	663,001 23	845,556 19		182,554 96
Miscellaneous income	6,702 73	82,800 43		76,097 70
TOTAL OTHER INCOME	\$10,348,776 68	\$10,284,588 28	\$64,188 40	
GROSS INCOME	\$27,442,055 48	\$24,496,693 68	\$2,945,361 80	
DEDUCTIONS FROM GROSS INCOME				
For lease of other roads	\$2,663,239 19	\$2,531,081 50	\$132,157 69	
Joint facility rents	774,143 47	449,678 61	324,464 86	
Miscellaneous rents	8,029 45	5,173 90	2,855 55	
Miscellaneous tax accruals	5,948 22		5,948 22	
Separately operated properties—loss	178,693 51	109,624 81	69,068 70	
Interest for funded debt	6,678,440 31	6,567,806 05	110,634 26	
Interest for unfunded debt	549,177 27	563,963 49		\$14,786 22
TOTAL DEDUCTIONS FROM GROSS INCOME	\$10,857,671 42	\$10,227,328 36†	\$630,343 06	
NET INCOME	\$16,584,384 06	\$14,269,365 32	\$2,315,018 74	
DIVIDEND APPROPRIATIONS OF INCOME				
On guaranteed stock (18%)	\$96,030 00	\$96,030 00		
On common stock (18%)	8,903,970 00	8,903,970 00		
TOTAL DIVIDEND APPROPRIATIONS OF INCOME	\$9,000,000 00	\$9,000,000 00		
INCOME BALANCE TRANSFERRED TO CREDIT OF PROFIT AND LOSS	\$7,584,384 06	\$5,269,365 32	\$2,315,018 74	
Amount to credit of profit and loss (free surplus), December 31, 1911				\$36,154,623 35
Balance to credit of profit and loss for the year 1912				7,584,384 06
				\$43,739,007 41
Deduct:				
Initial payment of ten per cent on New York Central Lines equipment trust of 1912			\$330,551 25	
New equipment purchased from the company's proportion of profit from operations of the Pittsburgh McKeesport and Youghiogheny Railroad			777,311 07	
Expenditures for additions and betterments, equipment, etc., on account The Lake Erie Alliance and Wheeling Railroad Company			582,594 75	
Value of property at Ashtabula Harbor and other locations abandoned during the year			408,939 39	
Commission and expenses on sterling and franc notes			80,108 44	
Commission and expenses (net) on New York Central Lines equipment trust certificates of 1912			48,545 87	
For adjustment of sundry accounts including uncollectible items			323,788 75	
Balance to credit of profit and loss (free surplus), December 31, 1912				2,551,839 52
				\$41,187,167 89

\*Deficit

†Revised for purposes of comparison



*The Lake Shore and Michigan Southern Railway Company*

The revenues from rail operations for the year were the largest in the history of the company, amounting to \$54,283,616.52, an increase of \$5,922,619.39 or 12.25% as compared with the previous year.

Freight revenue was \$36,371,244.49, an increase of \$5,269,909.87. The revenue freight carried amounted to 41,081,573 tons, or 6,193,876 tons more than last year. With the exception of products of animals, each group of commodities shows a greater tonnage carried than in 1911. The notable increases are, anthracite and bituminous coal 2,218,874 tons; ores 916,501 tons; stone, sand and other like articles 890,269 tons; other castings and machinery 296,208 tons; bar and sheet metal 263,226 tons, and other manufactures 490,393 tons. There was a slight decrease in the average rate per ton mile due to a reduction in lake coal rates effective May 1, 1912.

Passenger revenue amounted to \$11,835,198.83, an increase of \$485,103.16 over last year, attributable to additional business. There was an increase in local passengers carried of 144,232, a decrease in interline passengers carried of 92,932, resulting in a net increase of 51,300 passengers.

Revenue from transportation of mails was \$1,974,227.76, a decrease of \$204,405.87, being the result of a reweighing of mails started September 1, 1911, when the United States Post Office Department inaugurated the transportation of magazines and periodicals by freight service at freight tariff rates, since which time the earnings from that class of matter have accrued to freight revenue.

Revenue from express traffic was \$1,985,690.32, an increase of \$239,754.48, attributable to the additional business handled during the year.

Other transportation revenues amounted to \$1,626,784.00, an increase of \$143,197.60, principally due to larger revenue derived from switching service.

Revenues other than from transportation were \$490,471.12, a decrease of \$10,939.85. The principal decrease is in rents of buildings and other properties, due to cancellation of leases of the company's coal and ore unloading machinery at Ashtabula Harbor, which has been taken over for direct operation by the company.

Operating expenses for the year, by groups, were:

		Increase	Per Cent
Maintenance of way and structures	\$6,516,211 90	\$337,588 59	5.46
Maintenance of equipment	9,283,832 83	1,214,439 89	15.05
Traffic expenses	961,761 66	*64,555 63	6.29
Transportation expenses	17,797,334 45	1,552,282 23	9.56
General expenses	975,503 52	51,014 19	5.52
Total	<u>\$35,534,644 36</u>	<u>\$3,090,769 27</u>	<u>9.53</u>

\*Decrease

The increase in maintenance of way and structures was occasioned largely by the very heavy volume of traffic moved over the road during the year. To maintain the roadbed and track in first class condition, additional track men were employed and owing to a scarcity of laborers of that class, it was necessary, in order



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to secure and hold a sufficient force, to grant a higher scale of pay, which in itself added \$95,000.00 to roadway and track expense. Severe weather conditions during the first three months of the year caused a large expense for removal of snow, sand and ice. Several large bridges were renewed during the year. There were increased payments for the use of other companies' tracks under trackage right agreements. The expense for maintenance of signals and interlockers was not so large as in 1911, owing to unusually heavy expenditures in that year for renewal of various interlocking plants.

The great demand on the company's equipment to transport the large volume of traffic moved during the year, made necessary increased charges to maintenance of equipment expenses. In order to keep equipment in service and up to standard, 199 more locomotives received general repairs than in the previous year and 85,615 more freight cars were repaired than in 1911. Additional charges to renewal of equipment were occasioned by a larger number of old and obsolete locomotives and freight cars having been disposed of and dismantled during the year.

Traffic expenses indicate a decrease as compared with the previous year. Participation of the company in the expenses of fast freight lines was considerably diminished, owing to some withdrawals and reductions in assessments.

In transportation expenses practically all items affected by the volume of traffic handled, show increases. This is clearly attributable to the fact that the company transported 6,193,876 more tons of freight than in 1911. Although increased expenses are shown, there was a considerable saving in the cost of road service, particularly in consumption of fuel. Tonnage moved during the year increased 17.75 per cent over the previous year, while freight train miles increased only 7.81 per cent and freight locomotive miles 6.7 per cent. Demand made upon the company by enginemen for increased scale of wages was submitted to arbitration, resulting in an award granted to this class of labor, which augmented the cost of transportation expenses subsequent to May 1, 1912. Expenses growing out of personal injury claims were large, there having been serious crossing accidents at 105th Street, Cleveland, and Ashtabula, Ohio. Furthermore, the personal injury compensation laws passed in various States through which the company operates have materially affected this item of expense.

General expenses show an increase of \$51,014.19. Of this increase \$15,408.88 represents disbursements for pensions to an additional number of retired employees.

Net revenue from auxiliary operations for the year increased \$146,481.62, through the taking over for direct operation by the company, of the unloading machinery on its docks at Ashtabula Harbor, Ohio.

Railway tax accruals amounted to \$1,771,097.88, an increase of \$97,158.34 over the previous year, attributable to higher valuations placed upon the company's property by various State Tax Commissions.

Other income for the year amounted to \$10,348,776.68, an increase of \$64,188.40 as compared with the previous year. Additional income was derived from hire of equipment and separately operated properties due to a greater excess of the company's equipment having been in use on foreign lines and to the larger surplus for the year of the

*The Lake Shore and Michigan Southern Railway Company*

Pittsburgh McKeesport and Youghiogheny Railroad in which the company has a one-half interest. The increase shown in income from funded securities is accounted for by a full year's interest received on bonds of The Cleveland Short Line Railway Company and The Lake Erie and Pittsburg Railway Company, acquired by The Lake Shore and Michigan Southern Railway Company last year in reimbursement of those companies' notes. The retirement of the notes mentioned caused a decrease in income from unfunded securities which practically offset the increase in income from funded securities. Income from dividends on stocks owned by the company decreased \$974,499.11, due to reduction of extra dividends by The Pittsburgh and Lake Erie Railroad and The Mahoning Coal Railroad Companies.

Deductions from gross income for the year were \$10,857,671.42, an increase of \$630,343.06, due to the following causes:

Deductions for lease of other roads increased \$132,157.69, owing to payment of a full year's rental to The Cleveland Short Line Railway Company as compared with nine months in the previous year, and to rental paid for lease of the Lake Erie Alliance and Wheeling Railroad, effective July 1, 1912.

Joint facility rents increased \$324,464.86, principally due to payments covering the entire year for running rights acquired over tracks of the Pennsylvania and The Baltimore and Ohio Railroad companies in connection with operation of the Lake Erie and Pittsburg Railway.

Separately operated properties—loss, increased \$69,068.70, owing to participation by the company in the guarantee in connection with the Merchants Despatch Transportation Company.

Interest for funded debt increased \$110,634.26, due to a full year's interest having been accrued on \$5,720,000.00 of gold bonds of 1906 issued in 1911, as against a partial year's accrual for that year, and also to interest accrued on the company's pro-rata of equipment trust certificates of 1912, there having been no corresponding charge in 1911.

From the net income of the company for the year, amounting to \$16,584,384.06, there were paid three dividends on both the guaranteed and common capital stock, aggregating 18 per cent or \$9,000,000.00, leaving a balance of \$7,584,384.06 which was transferred to the credit of profit and loss.

There was expended during the year for additions and improvements to the property \$3,238,615.21, all of which was charged direct to capital account. For an increased train movement on the Sandusky Division, additional main tracks have been provided. To facilitate the movement of traffic and to meet municipal requirements, it has been necessary and desirable to extend the work of grade separation, upon which substantial progress has been made during the year, particularly in Chicago territory and in connection with change of line at Port Clinton. The company has also provided additional yard, station, enginehouse and shop facilities to meet the requirements of the increase in business. Details of such expenditures will be found on a following page.

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The company as owner of the entire outstanding capital stock of The Lake Erie Alliance and Wheeling Railroad Company, entered into an agreement and lease effective July 1, 1912, whereby it acquired the right to use for the term of its corporate existence, the railroad and properties of The Lake Erie Alliance and Wheeling Railroad Company, extending from Phalanx, Ohio to Dillonvale, Ohio, a distance of 87.67 miles. The Lake Shore and Michigan Southern Railway Company will keep and maintain at its own expense the railroad and properties leased and is to receive all revenues derived from the operation thereof. As rental it agrees to pay an amount equivalent to four per cent per annum on the outstanding capital stock, interest on the outstanding obligations, and all taxes and assessments of that company.

The opening for operation on July 1, 1912, of that part of the Cleveland Short Line Railway between Marcy, Ohio, and Collinwood, Ohio, a distance of 9.56 miles, placed in operation the entire belt line around the city of Cleveland, Ohio, extending from Rockport on the west, to Collinwood on the east, a distance of 19.64 miles.

The company issued on March 2, 1912, notes payable February 24, 1913, for 25,000,000 francs equivalent to \$4,827,898.55 and sterling notes payable March 2, 1913, for 1,400,000 pounds or \$6,819,889.50, making a total of \$11,647,788.05, from the proceeds of which the company retired its one year franc notes that matured March 4, 1912, amounting to 60,000,000 francs.

The company purchased from The Michigan Central Railroad Company 30,000 shares of the common stock, par value \$3,000,000.00, of the Chicago Indiana and Southern Railroad Company, and also demand promissory notes issued by the latter company, amounting to \$495,000.00. Through the acquisition of this stock the company became possessed of all of the outstanding capital stock of the Chicago Indiana and Southern Railroad Company. In the consummation of this transaction it was stipulated that The Michigan Central Railroad Company would be released from its obligation under a contract dated January 15, 1908, by which that company agreed to hold The Lake Shore and Michigan Southern Railway Company harmless from liability on its guaranty of \$3,825,000.00 of the fifty year gold mortgage bonds of the Chicago Indiana and Southern Railroad Company.

There were also acquired during the year by purchase, 27,998 shares of stock, par value \$1,399,900.00, of The Pittsburgh McKeesport and Youghioghenny Railroad Company, 47,881 shares of stock, par value \$2,394,050.00, of The Pittsburgh and Lake Erie Railroad Company, 25 shares of stock, par value \$2,500.00, of The Kanawha and Michigan Railway Company, \$1,000,000.00 of The Cleveland Cincinnati Chicago and St Louis Railway Company general mortgage four per cent bonds and \$87,000.00 of The Toledo and Ohio Central Railway Company, St Mary's Division, first preference income bonds.

The Board has authorized the cancellation of the agreement dated November 1, 1907, between the Merchants Despatch Transportation Company, The New York Central and Hudson River Railroad Company, The Lake Shore and Michigan Southern Railway

*The Lake Shore and Michigan Southern Railway Company*

Company, The Michigan Central Railroad Company, The Cleveland Cincinnati Chicago and St Louis Railway Company, The Pittsburgh and Lake Erie Railroad Company, The Peoria and Eastern Railway Company, Rutland Railroad Company, The Lake Erie and Western Railroad Company and the Chicago Indiana and Southern Railroad Company, covering the use of Merchants Despatch Transportation Company refrigerator cars by those companies, to be effective January 1, 1913, and has further authorized the purchase, in conjunction with The New York Central and Hudson River Railroad Company, at its present value, of the Merchants Despatch Transportation Company's refrigerator equipment, consisting of 5,388 owned cars and 1,000 leased cars covered by Merchants Despatch Equipment Trust of 1911. Apportionment between the purchasers is to be on the basis of their respective stock ownership in the Merchants Despatch Transportation Company. Through this division of the equipment, The Lake Shore and Michigan Southern Railway Company will acquire 2,520 of the owned cars and an equity in 468 of the equipment trust cars. The Board has also on behalf of the company, given consent to a reduction of the capital stock of the Merchants Despatch Transportation Company from \$5,000,000.00 to \$1,200,000.00, under which authority this company will sell, at par, 17,772 shares of its present holding in that company.

All agreements with various dock companies for the lease of ore docks owned by the company at Ashtabula Harbor, and for the handling of ore at that point were terminated as of May 1, 1912, and new agreements were made providing for the handling of ore from vessels to cars by the company through the agency of contractors. In this connection, the company purchased the machinery owned by The Pittsburgh and Conneaut Dock Company located on the company's property at Ashtabula Harbor, agreeing to pay therefor the sum of \$775,672.61 in five equal installments.

During the year the company acquired under contract about 76,000 acres of coal lands in Christian, Montgomery, Fayette, Saline, Franklin and Williamson Counties, Illinois, at a cost of approximately \$2,500,000.00. Deeds for 16,300 acres have already been delivered and \$728,309.98 paid by this company therefor. These coal lands are on or near the line of The Cleveland Cincinnati Chicago and St Louis Railway Company, the majority of whose stock is owned by this company, and the said lands are tributary to the Cleveland Cincinnati Chicago and St Louis Railway and the Chicago Indiana and Southern Railroad, which latter is subsidiary of this company. Contracts have been entered into by The Cleveland Cincinnati Chicago and St Louis Railway Company for the purchase of these lands from this company at cost, plus 5% interest, payable July 1, 1917, and it has made an initial payment of \$150,000.00 on account thereof. The Guaranty Trust Company of New York has acted as agent for The Lake Shore and Michigan Southern Railway Company in the making of these purchases and contracts.

Under an agreement dated February 1, 1912, the company has granted to the Bessemer and Lake Erie Railroad Company the right to use the tracks of The Lake Shore and Michigan Southern Railway Company between Dock Junction and Wesley-

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ville, Pennsylvania. The company has also, as lessee of the Jamestown Franklin and Clearfield Railroad, granted to the Pennsylvania Southern Railroad Company, under an agreement dated December 30, 1912, the right to run over the tracks of the Jamestown Franklin and Clearfield Railroad Company between Sutton and Franklin, Pennsylvania, one passenger train each way per day.

Under date of August 22, 1912, this company in conjunction with The New York Central and Hudson River Railroad Company, entered into an agreement with the Lehigh Valley Railroad Company for a share in its purchase from the City of Buffalo of a tract of land known as the "Hamburg Canal Strip," for enlargement of terminal facilities, at a cost of \$500,000.00, of which The Lake Shore and Michigan Southern Railway Company's proportion will approximate \$150,000.00.

In the operation of the Pension Department 61 employes were retired and placed upon the pension rolls. Of these retirements, 34 were authorized because of the attainment of seventy years of age and 27 because of total and permanent physical disability. Twenty-four pensioners died during 1912 and at the close of the year 346 retired employes were carried upon the pension rolls. The average monthly pension allowance to these men was \$23.33 and the total amount paid in pension allowances during the year was \$99,528.28.

By an arrangement made with the Guaranty Trust Company, Trustee of the New York Central Lines Equipment Trust of 1910, the company assigned and delivered during the year to The Michigan Central Railroad Company twenty-five class G-6 locomotives acquired by the company under the terms of that trust, The Michigan Central Railroad Company assuming payment of the remaining unpaid installments applicable to the locomotives so assigned.

On November 20, 1912, the Board of Directors authorized The Lake Shore and Michigan Southern Railway Company, together with The New York Central and Hudson River Railroad Company, The Michigan Central Railroad Company, The Cleveland Cincinnati Chicago and St Louis Railway Company, The Pittsburgh and Lake Erie Railroad Company, and The Toledo and Ohio Central Railway Company to enter into an equipment trust agreement, to be dated January 1, 1913, for the purpose of establishing the New York Central Lines Equipment Trust of 1913. This agreement will provide for an issue of \$24,000,000.00 of equipment trust certificates, bearing interest at the rate of  $4\frac{1}{2}\%$  per annum; being not to exceed 90% of the total cost of the equipment to be furnished under the terms of the said agreement. The certificates are to be paid in fifteen annual installments, the first installment being payable January 1, 1914. Out of the \$24,000,000.00 of certificates authorized there will be issued, early in 1913, \$12,540,000.00. The cost of the equipment to be assigned to this company in connection with the issue of these latter certificates will be approximately \$1,006,000.00, and the prorata amount of the certificates, representing not to exceed 90% of the cost, will be approximately \$879,000.00. Full

*The Lake Shore and Michigan Southern Railway Company*

particulars as to the character of the equipment to be acquired will be set forth in the report to the stockholders for 1913.

On another page will be found details with respect to the New York Central Lines Equipment Trust of 1912, showing the locomotives and cars acquired thereunder and the certificates outstanding.

Cost of road and equipment on December 31, 1911, was \$131,078,914 00

It has been increased during the year as follows :

Expenditures for additions and betterments to the property as shown in detail elsewhere	\$3,238,615 21	
Cost of equipment received during the year under the equipment trust of 1912	3,305,512 50	
Cost of 1,000 box cars purchased from the company's proportion of profit from operation of Pittsburgh McKeesport and Youghiogeny Railroad for years 1909, 1910 and 1911	777,311 07	7,321,438 78
	<hr/>	<hr/>
		\$138,400,352 78
Value of equipment retired from service during the year	\$866,253 67	
Less amount charged for new equipment acquired, consisting of 7 passenger cars, 3 dining cars, 10 steel smoking cars, 1 pile driver, 1 coaling machine, 5 steam shovels and cost of applying superheaters to 41 locomotives	444,726 90	
	<hr/>	
	\$421,526 77	
Credit adjustment in connection with trust equipment to cover profit on parts and accessories, freight and inspection charges, etc.	222,767 30	
Value of twenty-five class G-6 locomotives acquired under 1910 equipment trust and transferred to The Michigan Central Railroad Company	483,524 95	1,127,819 02
	<hr/>	<hr/>
		\$137,272,533 76
Amount credited in 1912 for account of 1907, 1910 and 1912 equipment trust installments		1,505,784 97
		<hr/>
Cost of road and equipment, December 31, 1912		\$135,766,748 79

*Annual Report*

The Board records the death, on January 24, 1912, of Mr. Charles F. Cox, who had been treasurer of the company since July 1, 1904.

To fill this vacancy Mr. Milton S. Barger was, on February 23, 1912, appointed treasurer of the company.

The Board records the appointment, on March 7, 1912, of Mr. William K. Vanderbilt, Jr, as a vice president of the company.

The Board also records the resignation, as of April 15, 1912, of Mr. Charles E. Schaff, who had been a vice president of the company in charge of operation and maintenance since June 6, 1906. To fill this vacancy Mr. Alfred H. Smith was appointed a vice president effective April 15, 1912.

Other appointments during the year were :

March	11,	Augustine R. Ayers, General Mechanical Engineer.
April	15,	John J. Bernet, Assistant Vice President, Operating and Maintenance Department.
May	9,	Edward J. Dowie, General Industrial Agent.
July	1,	Edward T. Glennon, Assistant Vice President, Law Department and Samuel H. West, General Attorney, Cleveland district.
July	11,	Berton A. Aikens, General Tie Agent.
August	1,	George A. Codling, Superintendent Car Service.
September	1,	Samuel Rockwell, Consulting Engineer, and George C. Cleveland, Chief Engineer.
October	1,	Edwin C. Keenan, General Superintendent Telegraph, and Fredolin F. Riefel, Superintendent of Telegraph.

Grateful acknowledgment is made of the faithful, efficient performance of duty by employes in every department of the service during the year.

WILLIAM C. BROWN,  
President.



*The Lake Shore and Michigan Southern Railway Company*

**REVENUES IN DETAIL (Rail operations)**

TRANSPORTATION				
	1912	1911	Increase	Decrease
Freight	\$36,371,244 49	\$31,101,334 62	\$5,269,909 87	
Passenger	11,835,198 83	11,350,095 67	485,103 16	
Excess baggage	168,452 71	159,295 52	9,157 19	
Mail	1,974,227 76	2,178,633 63		\$204,405 87
Express	1,985,690 32	1,745,935 84	239,754 48	
Milk (on passenger trains)	51,001 21	51,260 97		259 76
Other passenger train	545,264 67	555,262 27		9,997 60
Switching	780,232 84	630,815 39	149,417 45	
Special service train	31,457 30	42,744 91		11,287 61
Miscellaneous transportation	50,375 27	44,207 34	6,167 93	
Totals	\$53,793,145 40	\$47,859,586 16	\$5,933,559 24	
OTHER THAN TRANSPORTATION				
Station and train privileges	\$18,516 08	\$17,947 01	\$569 07	
Parcel room receipts	56,954 80	56,996 20		\$41 40
Storage—freight	34,512 38	46,929 15		12,416 77
Storage—baggage	7,807 80	7,086 05	721 75	
Car service	162,429 94	120,237 17	42,192 77	
Telegraph and telephone service	1,924 90	3,059 83		1,134 93
Rents of buildings and other property	228,992 05	287,135 78		58,143 73
Miscellaneous	21,373 47	18,445 10	2,928 37	
Joint facilities revenue—Dr.	62,375 21	76,010 56	13,635 35	
Joint facilities revenue—Cr.	20,334 91	19,585 24	749 67	
Totals	\$490,471 12	\$501,410 97		\$10,939 85
Total revenues—rail operations	\$54,283,616 52	\$48,360,997 13	\$5,922,619 39	

**EXPENSES IN DETAIL (Rail operations)**

MAINTENANCE OF WAY AND STRUCTURES				
	1912	1911	Increase	Decrease
Superintendence	\$288,136 41	\$261,511 62	\$26,624 79	
Ballast	366,428 94	426,686 88		\$60,257 94
Ties	1,029,245 28	978,834 26	50,411 02	
Rails	249,849 96	320,263 95		70,413 99
Other track material	291,601 61	361,857 90		70,256 29
Roadway and track	2,372,284 12	2,226,626 24	145,657 88	
Removal of snow, sand and ice	252,662 34	83,343 61	169,318 73	
Tunnels	212 68	529 28		316 60
Bridges, trestles and culverts	295,972 47	184,336 54	111,635 93	
Over and under grade crossings	10,966 23	13,509 83		2,543 60
Grade crossings, fences, cattle guards and signs	120,079 31	121,483 66		1,404 35
Snow and sand fences and snowsheds	2,505 81	386 78	2,119 03	
Signals and interlocking plants	303,504 86	487,710 96		184,206 10
Telegraph and telephone lines	85,857 08	98,868 09		13,011 01
Buildings, fixtures and grounds	628,939 59	581,031 22	47,908 37	
Docks and wharves	2,316 34	5,264 54		2,948 20
Roadway tools and supplies	114,953 33	100,426 24	14,527 09	
Injuries to persons	29,809 33	34,024 20		4,214 87
Stationery and printing	18,798 79	18,679 82	118 97	
Other expenses	330 81	* 61 51	392 32	
Maintaining joint tracks, yards and other facilities—Dr.	301,525 80	176,295 99	125,229 81	
Maintaining joint tracks, yards and other facilities—Cr.	249,769 19	302,986 79	53,217 60	
Totals	\$6,516,211 90	\$6,178,623 31	\$337,588 59	
*Credit				

## Annual Report

*EXPENSES IN DETAIL (Rail operations)—continued*

## MAINTENANCE OF EQUIPMENT

	1912	1911	Increase	Decrease
Superintendence	\$229,047 69	\$222,010 25	\$7,037 44	
Steam locomotives—repairs	2,442,118 42	1,887,307 89	554,810 53	
Steam locomotives—renewals and depreciation	468,947 87	354,793 99	114,153 88	
Passenger-train cars—repairs	560,889 41	565,170 66		\$4,281 25
Passenger-train cars—renewals and depreciation	86,802 90	100,082 13		13,279 23
Freight-train cars—repairs	3,443,325 23	3,065,268 07	378,057 16	
Freight-train cars—renewals and depreciation	1,516,135 21	1,377,596 88	138,538 33	
Floating equipment—renewals	300 00		300 00	
Work equipment—repairs	96,376 25	109,442 25		13,066 00
Work equipment—renewals and depreciation	65,062 65	57,089 49	7,973 16	
Shop machinery and tools	302,568 68	246,435 25	56,133 43	
Injuries to persons	46,237 20	42,089 10	4,148 10	
Stationery and printing	26,501 45	26,122 93	378 52	
Other expenses	640 83	13,227 64		12,586 81
Maintaining joint equipment at terminals—Dr.	4,581 86	8,343 84		3,761 98
Maintaining joint equipment at terminals—Cr.	5,702 82	5,587 43		115 39
Totals	\$9,283,832 83	\$8,069,392 94	\$1,214,439 89	

## TRAFFIC EXPENSES

Superintendence	\$224,260 33	\$227,410 15		\$3,149 82
Outside agencies	187,549 69	189,971 36		2,421 67
Advertising	136,321 42	128,024 70	\$8,296 72	
Traffic associations	25,538 34	29,469 57		3,931 23
Fast freight lines	264,511 66	327,841 05		63,329 39
Industrial and immigration bureaus	4,984 70	4,344 97	639 73	
Stationery and printing	118,590 93	117,043 94	1,546 99	
Other expenses	4 59	2,211 55		2,206 96
Totals	\$961,761 66	\$1,026,317 29		\$64,555 63

## TRANSPORTATION EXPENSES

Superintendence	\$424,687 09	\$438,158 32		\$13,471 23
Dispatching trains	89,825 31	88,835 87	\$989 44	
Station employees	3,063,741 90	2,796,809 60	266,932 30	
Weighing and car-service associations	36,658 23	39,462 16		2,803 93
Station supplies and expenses	165,120 08	172,307 91		7,187 83
Yardmasters and their clerks	403,224 07	392,202 57	11,021 50	
Yard conductors and brakemen	1,465,436 26	1,294,087 78	171,348 48	
Yard switch and signal tenders	155,808 95	152,866 13	2,942 82	
Yard supplies and expenses	29,851 76	33,860 33		4,008 57
Yard enginemen	940,489 53	816,136 11	124,353 42	
Enginehouse expenses—yard	232,345 07	206,790 53	25,554 54	
Fuel for yard locomotives	846,573 99	695,983 09	150,590 90	
Water for yard locomotives	64,710 75	55,089 14	9,621 61	
Lubricants for yard locomotives	15,537 00	13,319 33	2,217 67	
Other supplies for yard locomotives	23,814 84	20,596 88	3,217 96	
Operating joint yards and terminals—Dr.	348,388 60	285,606 22	62,782 38	
Operating joint yards and terminals—Cr.	584,965 41	638,416 07	53,450 66	
Road enginemen	1,789,853 25	1,661,767 35	128,085 90	
Enginehouse expenses—road	494,207 14	504,811 97		10,604 83
Fuel for road locomotives	3,000,242 54	2,964,637 01	35,605 53	
Water for road locomotives	215,886 00	208,975 95	6,910 05	
Lubricants for road locomotives	66,506 82	67,748 02		1,241 20
Other supplies for road locomotives	49,134 86	44,628 65	4,506 21	
Carried forward	\$13,337,078 63	\$12,316,264 85		

*The Lake Shore and Michigan Southern Railway Company*

**EXPENSES IN DETAIL (Rail operations)—concluded**

**TRANSPORTATION EXPENSES—continued**

	1912	1911	Increase	Decrease
Brought forward	\$13,337,078 63	\$12,316,264 85		
Road trainmen	1,895,447 34	1,754,672 75	\$140,774 59	
Train supplies and expenses	454,149 66	479,657 60		\$25,507 94
Interlocker, block and other signal—operation	341,744 57	343,446 84		1,702 27
Crossing flagmen and gatemen	155,952 01	155,605 16	346 85	
Drawbridge operation	24,639 43	23,852 22	787 21	
Clearing wrecks	102,830 34	68,334 20	34,496 14	
Telegraph and telephone—operation	81,142 99	64,088 52	17,054 47	
Stationery and printing	197,048 28	175,182 56	21,865 72	
Other expenses	104,035 55	44,158 83	59,876 72	
Loss and damage—freight	571,327 28	459,434 80	111,892 48	
Loss and damage—baggage	5,518 21	3,869 88	1,648 33	
Damage to property	31,240 15	25,623 82	5,616 33	
Damage to stock on right of way	6,092 73	3,311 89	2,780 84	
Injuries to persons	462,327 07	304,677 70	157,649 37	
Operating joint tracks and facilities—Dr.	110,657 83	91,329 54	19,328 29	
Operating joint tracks and facilities—Cr.	83,897 62	68,458 94		15,438 68
<b>Totals</b>	<b>\$17,797,334 45</b>	<b>\$16,245,052 22</b>	<b>\$1,552,282 23</b>	

**GENERAL EXPENSES**

Salaries and expenses of general officers	\$124,409 25	\$116,141 16	\$8,268 09	
Salaries and expenses of clerks and attendants	404,267 06	405,715 76		\$1,448 70
General office supplies and expenses	58,123 90	60,705 49		2,581 59
Law expenses	135,438 57	142,802 90		7,364 33
Insurance	40,707 82	36,763 63	3,944 19	
Pensions	103,314 94	87,906 06	15,408 88	
Stationery and printing	48,493 92	45,381 45	3,112 47	
Other expenses	56,106 64	26,927 98	29,178 66	
General administration joint tracks, yards and terminals—Dr.	5,322 47	3,255 13	2,067 34	
General administration joint tracks, yards and terminals—Cr.	681 05	1,110 23	429 18	
<b>Totals</b>	<b>\$975,503 52</b>	<b>\$924,489 33</b>	<b>\$51,014 19</b>	
<b>Total expenses—rail operations</b>	<b>\$35,534,644 36</b>	<b>\$32,443,875 09</b>	<b>\$3,090,769 27</b>	

**PERCENTAGE OF RAIL OPERATING EXPENSES TO REVENUE FROM RAIL OPERATIONS BY GROUPS**

	1912	1911
Maintenance of way and structures	12.00	12.79
Maintenance of equipment	17.10	16.69
Traffic expenses	1.77	2.12
Transportation expenses	32.79	33.58
General expenses	1.80	1.91
<b>Totals</b>	<b>65.46</b>	<b>67.09</b>

## Annual Report

## AUXILIARY OPERATIONS

	1912	1911	Increase	Decrease
DINING CAR SERVICE				
Revenues	\$557,379 28	\$498,415 16	\$58,964 12	
Expenses	591,206 98	548,837 72	42,369 26	
Net deficit	\$33,827 70	\$50,422 56		\$16,594 86
RESTAURANTS				
Revenues	\$19,577 77	\$24,955 39		\$5,377 62
Expenses	18,919 91	24,145 58		5,225 67
Net revenue	\$657 86	\$809 81		\$151 95
COMMERCIAL ICE SUPPLY PLANTS				
Revenues	\$55,673 73	\$54,287 32	\$1,386 41	
Expenses	37,006 62	35,751 67	1,254 95	
Net revenue	\$18,667 11	\$18,535 65	\$131 46	
COAL AND ORE DOCKS				
Revenues	\$574,265 01		\$574,265 01	
Expenses	444,357 76		444,357 76	
Net revenue	\$129,907 25		\$129,907 25	
Total net revenue	\$115,404 52	*\$31,077 10	\$146,481 62	
*Deficit				

## RAILWAY TAX ACCRUALS

	1912	1911	Increase	Decrease
ON CAPITAL STOCK				
New York	\$8,673 39	\$9,260 94		\$587 55
Pennsylvania	30,375 00	30,375 00		
ON GROSS EARNINGS				
New York	1,913 48	2,112 81		199 33
Pennsylvania	1,694 47	1,291 44	\$403 03	
Ohio	136,298 80	133,205 36	3,093 44	
ON REAL ESTATE				
New York	96,985 14	80,353 68	16,631 46	
Pennsylvania	6,935 69	7,003 22		67 53
Ohio	525,785 89	497,630 31	28,155 58	
Indiana	330,964 71	305,712 89	25,251 82	
Michigan	396,358 38	395,088 48	1,269 90	
Illinois	74,929 11	64,626 53	10,302 58	
ON BONDED DEBT (Pennsylvania)	21,702 40	17,259 73	4,442 67	
RAILROAD COMMISSIONERS' ASSESSMENTS (Ohio)	1,813 00	1,636 16	176 84	
ON NET INCOME (United States)	136,668 42	128,382 99	8,285 43	
Totals	\$1,771,097 88	\$1,673,939 54	\$97,158 34	

## DIVIDENDS

ON GUARANTEED STOCK			
Payable March 29, 1912, 6% on 5,335 shares of guaranteed stock		\$32,010 00	
Payable August 1, 1912, 6% on 5,335 shares of guaranteed stock		32,010 00	
Payable February 1, 1913, 6% on 5,335 shares of guaranteed stock		32,010 00	\$96,030 00
ON COMMON STOCK			
Payable March 29, 1912, 6% on 494,665 shares of common stock		\$2,967,990 00	
Payable July 29, 1912, 6% on 494,665 shares of common stock		2,967,990 00	
Payable January 29, 1912, 6% on 494,665 shares of common stock		2,967,990 00	8,903,970 00
Total dividends			\$9,000,000 00

*The Lake Shore and Michigan Southern Railway Company***DEDUCTIONS FROM GROSS INCOME***For lease of other roads*

<b>ERIE AND KALAMAZOO RAILROAD</b>		
Dividend at 10% on 6,000 shares of capital stock (\$50.00 per share)	\$30,000 00	
<b>DETROIT HILLSDALE AND SOUTHWESTERN RAILROAD</b>		
Organization expenses	\$500 00	
Dividend at 4% on 13,500 shares of capital stock	54,000 00	54,500 00
<b>FORT WAYNE AND JACKSON RAILROAD</b>		
Organization expenses	\$1,500 00	
Dividend at 5½% on 22,914 <sup>16</sup> / <sub>100</sub> shares of capital stock	126,027 88	127,527 88
<b>KALAMAZOO ALLEGAN AND GRAND RAPIDS RAILROAD</b>		
Interest at 5% on \$840,000 first mortgage bonds	\$42,000 00	
Dividend at 6% on 6,100 shares of capital stock	36,600 00	78,600 00
<b>STURGIS GOSHEN AND ST LOUIS RAILWAY</b>		
Interest at 3% on \$322,000 first mortgage bonds		9,660 00
<b>BATTLE CREEK AND STURGIS RAILWAY</b>		
Interest at 3% on \$79,000 first mortgage bonds		2,370 00
<b>JAMESTOWN FRANKLIN AND CLEARFIELD RAILROAD</b>		
Interest at 4% on \$11,000,000 gold mortgage bonds	\$440,000 00	
Dividend at 5% on 30,000 shares of capital stock	150,000 00	590,000 00
<b>CLEVELAND SHORT LINE RAILWAY</b>		
Interest at 4½% on \$7,000,000 first mortgage bonds	\$315,000 00	
Dividends at 5% on 35,250 shares preferred capital stock	176,250 00	
Dividends at 5% on 37,500 shares common capital stock	187,500 00	678,750 00
<b>LAKE ERIE ALLIANCE AND WHEELING RAILROAD</b>		
Dividend at 2% on 30,000 shares of capital stock		60,000 00
<b>MAHONING COAL RAILROAD</b>		
40% of gross earnings of \$2,579,578.28 for year ended December 31, 1912	1,031,831 31	\$2,663,239 19
Joint facility rents		774,143 47
Miscellaneous rents		8,029 45
Miscellaneous tax accruals		5,948 22
Separately operated properties—loss		178,693 51

*Interest on funded debt*

Interest 3½% per annum on gold mortgage bonds of 1897	\$1,750,000 00	
Interest 4% per annum on gold bonds of 1903	2,000,000 00	
Interest 4% per annum on gold bonds of 1906	2,000,000 00	
Interest 5% per annum on Kalamazoo and White Pigeon mortgage bonds	20,000 00	
Interest 5% per annum on equipment trust certificates of 1907	242,247 51	
Interest 4½% per annum on equipment trust certificates of 1910	533,807 02	
Interest 4½% per annum on equipment trust certificates of 1912	132,385 78	6,678,440 31
Interest on unfunded debt		549,177 27
Total deductions from gross income		<u>\$10,857,671 42</u>

## Annual Report

## DETAIL OF EXPENDITURES FOR IMPROVEMENTS TO PROPERTY

EXPENDITURES DURING THE YEAR FOR ADDITIONS AND IMPROVEMENTS TO THE PROPERTY CHARGED TO CAPITAL ACCOUNT

## ADDITIONAL MAIN TRACKS:

Elyria Junction to Amherst	\$136,486 39	
Vermilion to Elyria Junction	19,553 84	
Sandusky Pier to Bay Bridge	49,949 39	
Oak Harbor to Rocky Ridge	37,136 42	
Oak Harbor to Graytown	67,862 52	
Martin to Millbury	105,429 29	\$416,417 85

## SEPARATION OF GRADES:

Ashtabula	\$19,316 11	
Cleveland	44,120 17	
Elyria	14,875 20	
Vermilion	18,918 11	
Port Clinton	115,916 32	
Detroit	17,621 33	
Ligonier	29,532 17	
La Porte	13,148 52	
Grand Crossing to Englewood (track elevation)	350,002 58	623,450 51

## YARD IMPROVEMENTS:

Ashtabula Harbor, enlarging freight yard	\$79,408 55	
Air Line Junction, additional tracks and subways	155,364 57	
Detroit, additional yard tracks	32,017 07	
Waterloo, enlargement of yard	8,761 94	
La Porte, additional tracks and other improvements	23,684 81	
Chicago, complete coach yard, drainage, etc.	8,781 11	308,018 05

## ROADWAY AND BRIDGE IMPROVEMENTS:

Buffalo to Chicago, automatic signals and telephone dispatching circuits	\$78,757 22	
Toledo to Detroit, double tracking and renewal of bridges	68,167 81	
Elkhart to White Pigeon, automatic signals	29,466 53	
Englewood to South Chicago, wire conduit	38,813 49	
Dorset to Andover, automatic signals	13,140 88	
Buffalo, new drawbridge over Buffalo Creek	55,005 70	
Westfield, track troughs, pumps, pipe line, etc.	16,556 22	
Collinwood, interlocking at Adams Avenue with the Cleveland Short Line Ry	22,504 58	
Chicago, automatic signals, 61st Street to Polk Street	11,935 55	
Ashtabula Harbor, new drawbridge	25,422 85	
Andover Junction, interlocking with the Mahoning Coal R R	13,603 86	
Entire line, increased weight of rail	48,868 32	
Industrial and passing sidings, new signals, bridge and culvert renewals and other improvements	225,241 58	647,484 59

## SHOPS, ENGINE HOUSES AND FUEL STATIONS:

Wesleyville, coaling plant, tracks, etc.	\$8,494 32	
Collinwood, new machinery at shops	17,127 01	
Elkhart, locomotive and car repair shop	159,597 41	
Englewood, new roundhouse and power plant	217,037 83	
Englewood, car repair yard, facilities and tools	42,014 19	444,270 76

## STATION AND OTHER STRUCTURES:

Cleveland, cover for platform, East 105th Street station	\$7,090 54	
Air Line Junction, new transfer house and facilities	30,155 97	
Hillsdale, new freight house and team track layout	16,480 84	
South Bend, addition to freight house, team tracks, etc.	13,218 35	
Fort Wayne, new freight house, team tracks, etc.	15,812 29	
Otsego, new freight house	5,991 80	
Lansing, addition to freight house	6,919 49	
Ashtabula Harbor, dock improvements	789,631 81	
Additions and improvements to various station buildings and other structures	93,799 05	979,100 14

## LAND: At various places

109,555 14

## EQUIPMENT:

Installation of superheaters, fire doors and other improvements to locomotives and other equipment	163,457 33	
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\$3,691,754 37

453,139 16

Less credits account property abandoned, land sold and adjustments

Total

\$3,238,615 21

*The Lake Shore and Michigan Southern Railway Company*  
**NEW YORK CENTRAL LINES EQUIPMENT TRUSTS**

The following statement shows the character of the equipment acquired under the terms of the New York Central Lines Equipment Trust Agreements and Leases of 1907, 1910 and 1912 together with the total amount of certificates issued and the amounts now outstanding:

*EQUIPMENT TRUST OF 1907*

Road	Loco- motives	Passenger cars	Freight cars	Company service cars	Certificates issued for 90% of value bearing interest at 5%	Certificates redeemed	Balance certificates outstanding December 31, 1912
N Y C & H R R R	447	88	4,000		\$11,904,901 78	\$3,968,300 60	\$7,936,601 18
L S & M S Ry	125	25	4,000	200	6,708,392 73	2,236,130 90	4,472,261 83
C I & S R R	2	8	3,400	150	3,779,976 60	1,259,992 20	2,519,984 40
M C R R	5	15	3,500	200	3,906,381 73	1,302,127 25	2,604,254 48
C C C & St L Ry	112	17	1,525	100	3,700,347 16	1,233,449 05	2,466,898 11
Totals	691	153	16,425	650	\$30,000,000 00	\$10,000,000 00	\$20,000,000 00

*EQUIPMENT TRUST OF 1910*

Road	Loco- motives	Passenger cars	Freight cars	Company service cars	Certificates issued for 90% of value bearing interest at 4½%	Certificates redeemed	Balance certificates outstanding December 31, 1912
N Y C & H R R R	127	30	4,000		\$6,509,466 30	\$867,928 84	\$5,641,537 46
L S & M S Ry	75	60	12,500	250	13,337,243 10	1,778,299 08	11,558,944 02
C I & S R R	31	2	1,000		1,638,607 50	218,481 00	1,420,126 50
M C R R	112	34	3,300		5,520,295 80	736,039 44	4,784,256 36
C C C & St L Ry	80	6	1,600		2,994,387 30	399,251 64	2,595,135 66
Totals	425	132	22,400	250	\$30,000,000 00	\$4,000,000 00	\$26,000,000 00

*EQUIPMENT TRUST OF 1912*

Road	Locomotives	Passenger cars	Freight cars	Company service cars	Certificates issued for 90% of value bearing interest at 4½%
N Y C & H R R R	50	70	6,350	150	\$7,156,741 50
L S & M S Ry			3,750		2,974,961 25
C I & S R R			250		194,280 75
M C R R	20		2,500		2,275,663 50
C C C & St L Ry	48	25	1,500		2,398,353 00
Totals	118	95	14,350	150	\$15,000,000 00



## Annual Report

## CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1912

## Assets

## Property investment

Road and equipment				
Investment to June 30, 1907				
Road	\$67,060,000 00			
Equipment	24,800,000 00	\$91,860,000 00		
Investment since June 30, 1907				
Road	\$19,416,593 15			
Owned equipment	\$1,504,443 94			
Trust equipment	25,856,793 89			
	<u>\$27,361,237 83</u>			
Trust installments—credit	2,871,082 19			
Net total equipment	24,490,155 64	43,906,748 79	\$135,766,748 79	
Securities				
Securities of proprietary, affiliated and controlled companies—unpledged			18,963,018 60	
Other investments				
Miscellaneous investments				
Physical property			99,351 17	
Total property owned as investment			<u>\$154,829,118 56</u>	

## Working assets

Cash				
Treasurer	\$4,421,888 26			
Local treasurer	959,812 68			
Station agents' and conductors' remittances in transit	552,343 20			
Lincoln National Bank for payment of interest	61,342 50			
Local treasurer's remittance in transit	240,000 00	\$6,235,386 64		
Securities issued or assumed—held in treasury				
Lake Shore and Michigan Southern Ry Co stock		3,900 00		
Marketable securities		107,118,671 81		
Loans and bills receivable				
Chicago Indiana and Southern R R Co	\$3,945,469 05			
Indiana Harbor Belt R R Co	851,307 96			
Jamestown Franklin and Clearfield R R Co	1,143,000 00			
Detroit Terminal R R Co	115,725 66			
Lake Erie and Western R R Co	1,679,075 17			
Terminal Ry of Buffalo	990,000 00			
Toledo and Ohio Central Ry Co	600,000 00			
Sundry bills receivable	4,100 00	9,328,677 84		
Traffic and car service balances due from other companies		815,868 30		
Net balance due from agents and conductors		1,689,393 91		
Miscellaneous accounts receivable		5,341,532 85		
Materials and supplies		3,684,883 07		
Other working assets		114,020 61	134,332,335 03	

## Accrued income not due

Unmatured interest, dividends and rents receivable	1,825,953 21
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## Deferred debit items

Advances				
Temporary advances to proprietary, affiliated and controlled companies				
Lake Erie Alliance and Wheeling R R Co	\$6,178 84			
Jamestown Franklin and Clearfield R R Co	887,891 48			
Cleveland Short Line Ry Co	352,781 13			
Pittsburgh McKeesport and Youghiogheny R R Co	399,531 23	\$1,646,382 68		
Working funds		69,696 65		
Other advances		146,789 56	\$1,862,868 89	
Cash and securities in sinking and redemption funds		5,000 00		
Other deferred debit items		1,758,890 12	3,626,759 01	
Total			<u>\$294,614,165 81</u>	

*The Lake Shore and Michigan Southern Railway Company***CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1912***Liabilities**Stock*

Capital stock			
Common		\$49,466,500 00	
Guaranteed		533,500 00	\$50,000,000 00

*Mortgage, bonded and secured debt*

Funded debt			
Mortgage bonds			
First general mortgage bonds of 1897	\$50,000,000 00		
Kalamazoo and White Pigeon first mortgage bonds	400,000 00	\$50,400,000 00	
Plain bonds, debentures and notes			
Gold bonds of 1903	\$50,000,000 00		
Gold bonds of 1906	50,000,000 00	100,000,000 00	
Equipment trust obligations			
Equipment trust certificates of 1907	\$4,472,261 83		
Equipment trust certificates of 1910	11,558,944 02		
Equipment trust certificates of 1912	2,974,961 25	19,006,167 10	169,406,167 10

*Working liabilities*

Loans and bills payable			
One year franc notes due February 24, 1913	\$4,827,898 55		
One year pound sterling notes due March 2, 1913	6,819,889 50	\$11,647,788 05	
Traffic and car service balances due to other companies		230 44	
Audited vouchers and wages unpaid			
Audited vouchers	\$4,051,416 22		
Audited pay-rolls	2,007,870 10	6,059,286 32	
Miscellaneous accounts payable			
Lake Erie and Pittsburg Ry Co	\$6,842 54		
Miscellaneous	990,736 99	997,579 53	
Matured interest, dividends and rents unpaid		80,196 67	
Other working liabilities		131,001 97	18,916,082 98

*Accrued liabilities not due*

Unmatured interest, dividends and rents payable			4,427,220 12
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*Deferred credit items*

Other deferred credit items			1,120,726 71
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*Appropriated surplus*

Additions to property through income since June 30, 1907			9,556,801 01
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*Profit and loss*

Free surplus			41,187,167 89
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Total

\$294,614,165 81

## Annual Report

## STOCK AND BONDS OWNED

## Stock

	Number of Shares	Total par value
Battle Creek & Sturgis Railway Co	825	\$82,500 00
Chicago Indiana & Southern Railroad Co preferred	50,000	5,000,000 00
Chicago Indiana & Southern Railroad Co common	150,000	15,000,000 00
Chicago Kalamazoo & Saginaw Railway Co	1,800	180,000 00
Cleveland Cincinnati Chicago & St Louis Railway Co	302,077	30,207,700 00
Cleveland Short Line Railway Co preferred	35,250	3,525,000 00
Cleveland Short Line Railway Co common	37,500	3,750,000 00
Detroit & Chicago Railroad Co	10,000	1,000,000 00
Detroit Monroe & Toledo Railroad Co	4,141	414,100 00
Detroit Toledo & Milwaukee Railroad Co	7,500	750,000 00
Detroit Terminal Railroad Co	933	93,300 00
Elkhart & Western Railroad Co	4,598	229,900 00
Fairport & Phalanx Railroad Co	10	1,000 00
Indiana Harbor Belt Railroad Co	7,350	735,000 00
Jamestown Franklin & Clearfield Railroad Co	29,945 ½	2,994,550 00
Jefferson Coal Co	5,100	510,000 00
Kalamazoo & White Pigeon Railroad Co	2,309	230,900 00
Kanawha & Michigan Railway Co	40,296	4,029,600 00
Lake Erie Alliance & Wheeling Railroad Co	30,000	3,000,000 00
Lake Erie & Pittsburg Railway Co	21,500	2,150,000 00
Lake Erie & Western Railroad Co preferred	59,300	5,930,000 00
Lake Erie & Western Railroad Co common	59,400	5,940,000 00
Lake Shore & Michigan Southern Railway Co common	39	3,900 00
Lansing Transit Railway	10	1,000 00
Mahoning Coal Railroad Co preferred	7,990	399,500 00
Mahoning Coal Railroad Co common	17,318	865,900 00
Mahoning State Line Railroad Co	14	700 00
Merchants Despatch Transportation Co	23,384 1/10	2,338,411 00
New York Chicago & St Louis Railroad Co 1st preferred	25,030	2,503,000 00
New York Chicago & St Louis Railroad Co 2nd preferred	62,750	6,275,000 00
New York Chicago & St Louis Railroad Co common	62,400	6,240,000 00
Northern Central Michigan Railroad Co	5,985	598,500 00
Pittsburgh & Lake Erie Railroad Co	299,885	14,994,250 00
Pittsburgh McKeesport & Youghiogheny Railroad Co	27,998	1,399,900 00
Reading Company 1st preferred	121,300	6,065,000 00
Reading Company 2nd preferred	285,300	14,265,000 00
Reading Company common	200,050	10,002,500 00
Sturgis Goshen & St Louis Railway Co	3,000	300,000 00
Swan Creek Railway Co	400	40,000 00
Terminal Railway of Buffalo	5,000	500,000 00
Toledo Terminal Railroad Co	4,800	480,000 00
Toledo & Ohio Central Railway Co preferred	37,014	3,701,400 00
Toledo & Ohio Central Railway Co common	58,463	5,846,300 00
Westinghouse Electric & Manufacturing Co	6	300 00
Total par value stock		<u>\$162,574,111 00</u>

## Bonds

	Total amount held
Chicago Kalamazoo & Saginaw Railway Co First mortgage	\$507,000 00
Cleveland Cincinnati Chicago & St Louis Railway Co General mortgage	1,000,000 00
Cleveland Short Line Railway Co First mortgage	7,000,000 00
Elkhart & Western Railroad Co First mortgage	200,000 00
Lake Erie & Pittsburg Railway Co First mortgage	2,150,000 00
Terminal Railway of Buffalo First mortgage	500,000 00
Toledo & Ohio Central Railway Co First preference income	192,000 00
Total par value bonds	<u>\$11,549,000 00</u>
Grand total par value stock and bonds	<u>\$174,123,111 00</u>

The securities held by the company are carried on its books at a total value of \$126,085,590.41

*The Lake Shore and Michigan Southern Railway Company***CAPITALIZATION***Capital stock*

Number of shares authorized	500,000	Total par value authorized	\$50,000,000 00
Number of shares issued—common	494,665	Total par value issued and out- } standing	\$50,000,000 00
Number of shares issued—guaranteed ten } per cent	5,335	Par value per share	\$100 00
Total number of shares outstanding	500,000	Dividend for the year	18 per cent

Amount of capital stock per mile of road owned (871.00 miles), \$57,405.28

*Mortgage, bonded and secured debt*

<u>Class of bond</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Amount of authorized issue</u>	<u>Amount issued and now outstanding</u>	<u>Rate of interest</u>	<u>Payable on the first day of</u>
<b>MORTGAGE AND PLAIN BONDS</b>						
Gold mortgage	1897	June 1, 1997	\$50,000,000 00	\$50,000,000 00	3½ %	{ June and December
Gold bonds	1903	Sept. 1, 1928	50,000,000 00	50,000,000 00	4 %	{ March and September
Gold bonds	1906	May 1, 1931	50,000,000 00	50,000,000 00	4 %	{ May and November

**EQUIPMENT TRUST OBLIGATIONS**

Payable in fifteen annual installments

Equipment trust } certificates	1907	Nov. 1, 1922	\$6,708,392 73	\$4,472,261 83	5 %	{ May and November
Equipment trust } certificates	1910	Jan. 1, 1925	13,337,243 10	11,558,944 02	4½ %	{ January and July
Equipment trust } certificates	1912	Jan. 1, 1927	2,974,961 25	2,974,961 25	4½ %	{ January and July

**BONDS OF OTHER ROADS ASSUMED BY THIS COMPANY**

Kalamazoo & } White Pigeon	1890	Jan. 1, 1940	\$400,000 00	\$400,000 00	5 %	{ January and July
Total amount of mortgage, bonded and secured debt outstanding				\$169,406,167 10		

Amount of mortgage, bonded and secured debt per mile of road owned (871.00 miles), excluding Kalamazoo and White Pigeon bonds, \$194,036.93

*Treasurer, Room 3111 Grand Central Terminal,  
New York*

*Union Trust Company, New York*

{ Transfers stock  
Pays dividends  
Transfers registered bonds  
Pays interest on coupon and registered bonds  
Registers stock

## Annual Report

## TABLE OF TRACKS

MAIN LINE		Miles	Second track	Third track	Fourth track	Sidings	Total
Buffalo to Toledo, via Norwalk		293·71	214·77	200·22	*177·40	399·08	1,285·18
Toledo to Chicago, via Adrian		242·89	96·40	34·93	22·41	345·74	742·37
Total main line		536·60	311·17	235·15	199·81	744·82	2,027·55
BRANCHES							
Ashtabula to Ashtabula Harbor		2·33	1·34			62·43	66·10
Ashtabula to Ohio-Penna. State Line		30·72	12·81	2·47		11·37	57·37
Carson to Mann—low grade line		18·10	18·10			6·81	43·01
Elyria Junction to Millbury Junction		73·07	73·07	34·82	24·07	72·72	277·75
Air Line Junction to Ohio—Michigan State Line		7·41	3·01			11·30	21·72
Air Line Junction to Elkhart, via Air Line		131·16	131·10	79·22	29·66	52·41	423·55
Monroe to Lenawee Junction		29·50				6·29	35·79
Lenawee Junction to Jackson		42·11				7·80	49·91
Total branches		334·40	239·43	116·51	53·73	231·13	975·20
Total main line and branches		871·00	550·60	351·66	253·54	975·95	3,002·75
PROPRIETARY LINES (OWNED WHOLLY BY THIS COMPANY)							
Detroit Monroe and Toledo Railroad	}	51·43				40·67	92·10
Ohio-Michigan State Line to D & M Jct							
Detroit and Chicago Railroad	}	25·22				3·10	28·32
Grosvenor to Fayette							
Northern Central Michigan Railroad	}	61·34				14·04	75·38
Jonesville to North Lansing							
Sturgis Goshen and St Louis Railway	}	28·92				1·95	30·87
Goshen to Sturgis							
Battle Creek and Sturgis Railway	}	7·19				·63	7·82
Sturgis to Findley							
Elkhart and Western Railroad	}	12·10				9·46	21·56
Elkhart to Mishawaka							
Kalamazoo and White Pigeon Railroad	}	36·54				14·60	51·14
White Pigeon to Kalamazoo							
Detroit Toledo and Milwaukee Railroad	}	66·58				6·51	73·09
Dundee to Homer							
Total proprietary lines		289·32				90·96	380·28
LEASED LINES							
Lake Erie Alliance and Wheeling Railroad	}	87·67				38·51	126·18
Phalanx to Dillonvale							
Jamestown Franklin and Clearfield Railroad	}	103·58	20·71			33·18	157·47
Ohio-Penna. State Line to Rose Siding							
Franklin to Oil City		8·96				6·71	15·67
Polk Junction to Belmar		10·71				4·80	15·51
Mahoning Coal Railroad	}	38·19	11·00	8·82		41·42	99·43
Andover to Youngstown							
Mann to Brookfield		24·49	24·41			5·64	54·54
Doughton to Sharon		7·94				10·68	18·62
Branch to Keel Ridge						·92	·92
Cleveland Short Line Railway	}	19·64	19·17			14·71	53·52
Rockport to Collinwood							
Detroit Hillsdale and Southwestern Railroad	}	64·74				4·71	69·45
Ypsilanti to Bankers							
Fort Wayne and Jackson Railroad	}	97·53				22·37	119·90
Jackson to Fort Wayne							
Kalamazoo Allegan and Grand Rapids Railroad	}	58·45				17·76	76·21
Kalamazoo to Grand Rapids							
Total leased lines		521·90	75·29	8·82		201·41	807·42

\*Includes ·85 miles of 5th main track and ·49 miles of 6th main track

*The Lake Shore and Michigan Southern Railway Company**TABLE OF TRACKS—continued*

TRACKAGE RIGHTS	Miles	Second track	Third track	Fourth track	Sidings	Total
Pennsylvania Railroad Co Rose Siding to Falls Creek	21·68					21·68
Buffalo Rochester and Pittsburgh Ry Co Falls Creek to Clearfield	31·20					31·20
New York Central and Hudson River Railroad Co Buffalo	·66					·66
Pennsylvania Railroad Co Oil City	1·00					1·00
Erie Railroad Co Sharpsville to West Middlesex	10·28					10·28
Grand Trunk Railway System D & M Junction to Brush St Detroit	3·33					3·33
Michigan Central Railroad Co Jackson	·46					·46
Michigan Central Railroad Co Ypsilanti	·34					·34
New York Chicago and St Louis Railroad Co Grand Crossing to Osborn	13·90					13·90
Chicago Indiana and Southern Railroad Co Osborn to Indiana Harbor	4·98					4·98
Lake Erie and Pittsburg Railway Co Marcy to Brady's Lake Junction	27·48				10·08	37·56
Pennsylvania Co Brady's Lake Junction to Minerva Junction	36·50					36·50
M V Junction to Ravenna Junction	1·19					1·19
Baltimore and Ohio Railroad Co Ravenna Junction to Haselton	37·08					37·08
<i>Total trackage rights</i>	<u>190·08</u>				<u>10·08</u>	<u>200·16</u>
<i>Total mileage operated</i>	<u>1,872·30</u>	<u>625·89</u>	<u>360·48</u>	<u>253·54</u>	<u>1,278·40</u>	<u>4,390·61</u>

*TABLE OF TRACKS ACCORDING TO STATES*

STATE	Miles	Second track	Third track	Fourth track	Sidings	Total
New York	68·45	67·79	61·21	61·01	94·63	353·09
Pennsylvania	233·30	64·67	43·96	43·96	98·71	484·60
Ohio	673·19	333·27	203·31	117·20	640·28	1,967·25
Michigan	606·33				161·11	767·44
Indiana	267·23	152·51	47·26	26·73	212·62	706·35
Illinois	23·80	7·65	4·74	4·64	71·05	111·88
Totals	<u>1,872·30</u>	<u>625·89</u>	<u>360·48</u>	<u>253·54</u>	<u>1,278·40</u>	<u>4,390·61</u>

*Annual Report***MILEAGE STATISTICS****LOCOMOTIVE MILEAGE**

REVENUE SERVICE	1912	1911	Increase	Decrease
Freight locomotive-miles	11,087,848	10,345,093	692,755	
Passenger locomotive-miles	10,246,963	10,330,506		83,543
Mixed locomotive-miles	33,848	32,624	1,224	
Special locomotive-miles	22,901	21,154	1,747	
Switching locomotive-miles	8,507,392	7,578,346	929,046	
Total revenue locomotive mileage	29,848,952	28,307,723	1,541,229	
Non-revenue locomotive mileage	1,293,258	1,181,814	111,444	
Total locomotive mileage	31,142,210	29,489,537	1,652,673	

**TRAIN MILEAGE**

REVENUE SERVICE				
Freight train-miles	9,889,528	9,172,961	716,567	
Passenger train-miles	9,628,593	9,607,449	21,144	
Mixed train-miles	32,656	32,416	240	
Special train-miles	17,145	15,291	1,854	
Total revenue train mileage	19,567,922	18,828,117	739,805	
Non-revenue train mileage	640,644	602,619	38,025	
Total train mileage	20,208,566	19,430,736	777,830	

**CAR MILEAGE**

REVENUE SERVICE				
Freight car-miles				
Loaded	313,616,881	281,579,937	32,036,944	
Empty	131,919,531	135,620,414		3,700,883
Caboose	10,094,696	9,180,851	913,845	
Total freight car-miles	455,631,108	426,381,202	29,249,906	
Passenger car-miles				
Passenger	16,845,208	17,711,181		865,973
Sleeping, parlor and observation	20,457,331	19,261,420	1,195,911	
Other passenger-train cars	30,183,298	29,998,386	184,912	
Total passenger car-miles	67,485,837	66,970,987	514,850	
Special car-miles				
Freight—loaded	145,021	159,367		14,346
Freight—empty	5,877	9,498		3,621
Caboose	8,139	8,402		263
Passenger	10,597	14,813		4,216
Sleeping, parlor and observation	31,777	29,704	2,073	
Other passenger-train cars	26,856	16,566	10,290	
Total special car-miles	228,267	238,350		10,083
Total revenue car mileage	523,345,212	493,590,539	29,754,673	
Non-revenue car mileage	5,187,302	4,906,795	280,507	
Total car mileage	528,532,514	498,497,334	30,035,180	



*The Lake Shore and Michigan Southern Railway Company***TRAFFIC STATISTICS**

## DESCRIPTION OF FREIGHT MOVED

	1912	1911	Increase	Decrease
	Tons	Tons	Tons	Tons
<b>PRODUCTS OF AGRICULTURE</b>				
Grain	2,047,225	1,810,661	236,564	
Flour	422,177	449,912		27,735
Other mill products	346,650	366,545		19,895
Hay	156,591	121,576	35,015	
Tobacco	22,615	27,233		4,618
Cotton	53,532	45,888	7,644	
Fruit and vegetables	488,188	391,572	96,616	
Other articles	161,065	163,535		2,470
<b>PRODUCTS OF ANIMALS</b>				
Live stock	519,832	494,944	24,888	
Dressed meats	221,486	243,451		21,965
Other packing house products	160,418	147,519	12,899	
Poultry, game and fish	63,952	61,868	2,084	
Wool	15,594	16,537		943
Hides and leather	49,762	48,050	1,712	
Other articles	213,749	249,487		35,738
<b>PRODUCTS OF MINES</b>				
Anthracite coal	1,849,102	1,324,861	524,241	
Bituminous coal	10,807,358	9,112,725	1,694,633	
Coke	1,396,411	1,237,856	158,555	
Ores	5,621,162	4,704,661	916,501	
Stone, sand and other like articles	4,047,681	3,157,412	890,269	
Other articles	225,522	166,900	58,622	
<b>PRODUCTS OF FOREST</b>				
Lumber	1,108,948	926,266	182,682	
Other articles	126,744	93,689	33,055	
<b>MANUFACTURES</b>				
Petroleum and other oils	641,871	608,181	33,690	
Sugar	102,433	76,768	25,665	
Naval stores	5,452	3,808	1,644	
Iron, pig and bloom	646,278	567,508	78,770	
Iron and steel rails	96,874	91,587	5,287	
Other castings and machinery	1,004,899	708,691	296,208	
Bar and sheet metal	1,602,422	1,339,196	263,226	
Cement, brick and lime	1,431,916	1,345,949	85,967	
Agricultural implements	81,699	97,741		16,042
Wagons, carriages, tools, etc.	211,477	159,095	52,382	
Wines, liquors and beers	155,455	137,665	17,790	
Household goods and furniture	100,540	92,464	8,076	
Other articles	4,379,280	3,888,887	490,393	
<b>MISCELLANEOUS</b>				
Other commodities not previously mentioned	495,213	407,009	88,204	
<b>TOTALS</b>	<b>41,081,573</b>	<b>34,887,697</b>	<b>6,193,876</b>	

## Annual Report

## TRAFFIC STATISTICS—concluded

FREIGHT	1912	1911	Increase	Decrease
Tons of revenue freight carried	41,081,573	34,887,697	6,193,876	
Tons of company freight carried	4,400,187	3,810,317	589,870	
Total tons of freight carried	45,481,760	38,698,014	6,783,746	
Tons of revenue freight carried one mile	6,874,015,071	5,841,012,416	1,033,002,655	
Tons of company freight carried one mile	379,378,419	284,746,346	94,632,073	
Total tons of freight carried one mile	7,253,393,490	6,125,758,762	1,127,634,728	
Miles of road operated in freight service	1,802.71	1,665.05	137.66	
Tons of revenue freight carried one mile per mile of road	3,813,156	3,508,010	305,146	
Tons all freight carried one mile per mile of road	4,023,605	3,679,024	344,581	
Average distance haul of one ton of revenue freight	167.3	167.4		1
Average distance haul of one ton all freight	159.5	158.3	1.2	
Average number of tons of revenue freight per train mile	692.8	634.5	58.3	
Average number of tons all freight per train mile	731.0	665.5	65.5	
Average number of tons of revenue freight per loaded car mile	21.9	20.7	1.2	
Average number of tons all freight per loaded car mile	23.1	21.8	1.3	
Average number of freight cars per train mile	45.9	46.3		4
Average number of loaded cars per train mile	31.6	30.6	1.0	
Average number of empty cars per train mile	13.3	14.7		1.4
Total freight revenue	\$36,371,244.49	\$31,101,334.62	\$5,269,909.87	
Average amount received for each ton of freight	cts. 88.5	cts. 89.1		cts. 0.6
Average revenue per ton per mile	mills 5.29	mills 5.32		mills 0.03
Average revenue per mile of road	\$20,175.87	\$18,678.92	\$1,496.95	
Average revenue per train mile	\$3.67	\$3.38	\$0.29	
PASSENGER				
Number of interline passengers carried	1,293,261	1,386,193		92,932
Number of local passengers carried	8,354,892	8,210,660	144,232	
Total number of revenue passengers carried	9,648,153	9,596,853	51,300	
Total number of revenue passengers carried one mile	610,378,781	601,792,335	8,586,446	
Miles of road operated in passenger service	1,519.19	1,475.41	43.78	
Number of revenue passengers carried one mile per mile of road	401,779	407,881		6,102
Average distance each revenue passenger carried	63.26	62.71	.55	
Average number of passengers per train mile	63.18	62.43	.75	
Average number of passengers per car mile	16.36	16.28	.08	
Average number of passenger cars per train mile	6.99	6.95	.04	
Total passenger revenue	\$11,835,198.83	\$11,350,095.67	\$485,103.16	
Average amount received from each passenger	\$1.23	\$1.18	\$0.05	
Average revenue per passenger per mile	cts. 1.939	cts. 1.886	cts. 0.053	
Total passenger service train revenue	\$16,559,835.50	\$16,040,483.90	\$519,351.60	
Average passenger service train revenue per mile of road	\$10,900.44	\$10,871.88	\$28.56	
Average passenger service train revenue per train mile	\$1.71	\$1.66	\$0.05	
TOTAL TRAFFIC				
Operating revenues	\$54,283,616.52	\$48,360,997.13	\$5,922,619.39	
Operating expenses	35,534,644.36	32,443,875.09	3,090,769.27	
Net operating revenue	\$18,748,972.16	\$15,917,122.04	\$2,831,850.12	
Operating revenues per mile of road	\$28,993.01	\$27,239.03	\$1,753.98	
Operating expenses per mile of road	18,979.14	18,273.81	705.33	
Net operating revenue per mile of road	\$10,013.87	\$8,965.22	\$1,048.65	
Operating revenues per train mile	\$2.77	\$2.57	\$0.20	
Operating expenses per train mile	1.82	1.72	0.10	
Net operating revenue per train mile	\$0.95	\$0.85	\$0.10	

*The Lake Shore and Michigan Southern Railway Company***EQUIPMENT STATISTICS**

	1912	1911
Average mileage per engine	32,747	30,184
Cost of repairs per engine mile	cts. 7.84	cts. 6.40
Total capacity of freight train cars, tons	2,243,290	2,079,900
Average capacity of freight train cars, tons	41.46	41.36
Seating capacity of passenger cars	26,732	25,938
Average seating capacity of passenger cars	70	66
Average mileage per passenger train car	61,722	64,570
Average cost of repairs per passenger train car mile	cts. 1.26	cts. 1.24

**MISCELLANEOUS STATISTICS****CONSUMPTION OF FUEL BY LOCOMOTIVES**

	1912	1911
Total tons of coal (bituminous)	2,343,157	2,166,023
Average pounds consumed per mile run by locomotives in freight service	214	212
Average pounds consumed per mile run by locomotives in passenger service	108	104
Average cost of fuel per ton	\$1.71	\$1.77
Average cost of fuel per locomotive mile	cts. 12.83	cts. 12.99

**NEW STEEL RAIL LAID**

Total tons of 100 pound rail, average price per ton (\$30.02, 1912; \$30.74, 1911)	12,062	9,414
Total tons of 80 pound rail, average price per ton (\$30.02, 1912; \$28.00, 1911)	7,132	14,028

**NEW TIES LAID**

Hard wood	370,324	703,352
Soft wood	5,346	6,600
Creosoted	934,225	511,284
Totals	<u>1,309,895</u>	<u>1,221,236</u>
Average price at distributing points	\$0.90	\$0.85

## Annual Report

## EQUIPMENT IN SERVICE

(INCLUDING EQUIPMENT OF LEASED LINES)

LOCOMOTIVES	Dec. 31, 1911	Increase		Decrease		Dec. 31, 1912
		Added	Change of class and service	Retired	Change of class and service	
For passenger service	146			1		145
For freight service	396		19	13		402
For switching service	231			20		211
Inspection engines	3					3
Totals	776		19	34		761
CARS IN PASSENGER SERVICE						
Passenger coaches, wood	220		4		26	198
Passenger coaches, steel		7				7
Passenger coaches, steel underframe			25	7		18
Smoking cars, wood	63					63
Smoking cars, steel		10				10
Combination passenger and baggage cars, wood	24					24
Combination passenger, baggage and mail cars, wood			2			2
Dining cars, wood	12				2	10
Dining cars, steel		3				3
Dining cars, steel underframe	1		2			3
Cafe dining coaches, wood	4			1		3
Buffet and cafe cars, wood	12					12
Buffet and cafe cars, steel	2					2
Mail cars, wood	47				8	39
Mail cars, steel	18					18
Mail cars, steel underframe	9				4	5
Mail and baggage cars, wood	20				4	16
Mail and baggage cars, steel underframe			5			5
Baggage and express cars, wood	165		10	2		173
Baggage and express cars, steel underframe	4		1			5
Special horse cars, wood	6					6
Special horse cars, steel		3				3
Milk cars	2					2
Totals	609	23	49	10	44	627
CARS IN FREIGHT SERVICE						
Box cars, wood	11,498	1	5	421	7	11,076
Box cars, steel underframe	999	1,000		1		1,998
Box automobile cars, wood	1,943			6		1,937
Flat cars, wood	3,749	2	77	183		3,645
Flat cars, steel underframe	5					5
Stock cars	476	1		19	1	457
Coal and coke cars, wood	6,132		750	330	35	6,517
Coal and coke cars, steel	7,995			3		7,992
Coal and coke cars, steel underframe	1,001					1,001
Caboose cars	527		6	6	6	521
Totals	34,325	1,004	838	969	49	35,149
EQUIPMENT IN COMPANY'S SERVICE						
Officers' cars, wood	7				1	6
Officers' cars, steel underframe	2	1	1			4
Pay cars, wood	1				1	
Air-brake instruction cars	1					1
Ballast cars, wood	130			24		106
Ballast cars, steel underframe	480					480
Derrick cars	12					12
Steam wrecking cranes	8					8
Cinder, push, gas and oil transport cars	16			3		13
Other road cars	1,077	11	38	29	1	1,096
Totals	1,734	12	39	56	3	1,726

*The Lake Shore and Michigan Southern Railway Company*

**EQUIPMENT IN SERVICE—concluded**

(INCLUDING EQUIPMENT OF LEASED LINES)

MARINE EQUIPMENT	Dec. 31, 1911	Increase		Decrease		Dec. 31, 1912
		Added	Change of class and service	Retired	Change of class and service	
Tugs, steel	1					1
Mud scows, open-deck	4					4
Dredges	1					1
Naphtha launches	1			1		
Totals	7			1		6

**LEASED UNDER EQUIPMENT TRUSTS**

LOCOMOTIVES	Dec. 31, 1911	Added		Retired		December 31, 1912		
		Trusts of 1907 & 1910	New Trust, 1912	Trusts of 1907 & 1910	New Trust, 1912	1907 Trust	1910 Trust	1912 Trust
For passenger service	95					45	50	
For freight service	85			25		45	15	
For switching service	45					35	10	
Totals	225			25		125	75	

**CARS IN PASSENGER SERVICE**

Passenger coaches, wood	15					15		
Passenger coaches, steel underframe	40						40	
Smoking cars, wood	10					10		
Mail cars, steel	6						6	
Express and baggage cars, steel	10						10	
Buffet cars, steel	2						2	
Dining cars, steel underframe	3						3	
Totals	86					25	61	

**CARS IN FREIGHT SERVICE**

Box cars, wood	494					494		
Box cars, steel underframe	998	10	3,750	4	1	10	994	3,749
Box cars, automobile, wood	498			1		497		
Box cars, automobile, steel underframe	2,994			2			2,992	
Coal and coke cars, steel	11,499			2		2,997	8,500	
Caboose cars	8					8		
Totals	16,491	10	3,750	9	1	4,006	12,486	3,749

**EQUIPMENT IN COMPANY'S SERVICE**

Ballast cars, steel	450					200	250	
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**SUMMARY OF EQUIPMENT IN SERVICE**

	December 31, 1912	December 31, 1911
Locomotives	961	1,001
Cars in passenger service	713	695
Cars in freight service	55,390	50,816
Equipment in company's service	2,176	2,184
Marine equipment	6	7

